



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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TO THE HEADS OF DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Information required for the Mid-Session Review of the
1985 Budget

1. Purpose. This Bulletin provides instructions for the preparation and submission of revised estimates of budget authority, outlays, and receipts (on both a current services and Presidential policy basis); and revised estimates of Federal credit data for 1984 through 1989. Instructions are also included for the development and submission of estimates of the spendout during 1986-89 of balances of budget authority for controllable programs available at the end of 1985. This information will be used to prepare the Mid-Session Review of the 1985 Budget.

2. Background. The Mid-Session Review, required under section 601 of the Congressional Budget Act of 1974, will present the current status of the President's Budget, including estimates for off-budget Federal entities. Current services estimates will also be provided. The information published in the Review, together with supporting data, will provide the Congress with data needed to evaluate the President's budget, as revised, and to assist the Congress with its budget scorekeeping responsibilities.

3. Materials Required.

a. Revised estimates of budget authority, outlays, receipts, and Federal credit data. Data will be entered as changes to the Budget Preparation System (BPS) computer file, which currently contains 1984-1989 supplementary source data collected for the April update of the 1985 Budget for Presidential policy estimates of budget authority and outlays (SSD-A/D and B), Federal credit data (SSD-G/H), and analyses of cost-of-living adjustments and administrative expenses for certain trust funds (SSD-V/W). The BPS data file also contains 1984-1989 current services estimates (SSD-S/T) from the February Budget. This data file, along with the receipt account data file (sections R/L, Presidential policy; sections K/M, current services) will be available for changes. No changes should be made to 1983 data contained in the data files.

Agencies linked to the OMB/agency computer network will order copies of the appropriations account data (AAD) and receipt account data (RAD) computer listings, as needed, by means of remote job entry. For those agencies not linked to the OMB/agency computer network, copies of the computer listings will be provided by the OMB representative responsible for reviewing the agency's budget estimates. Agencies will revise estimates in accordance with the guidelines contained in section 4 of this Bulletin. Agencies furnishing automated budget data to OMB via computer terminals will use this method to transmit revised estimates. (These agencies should notify OMB as soon as possible of transmittal code changes and requests for new accounts that need to be added to the Master Account and Receipt Account Title Files.) All other agencies will mark up and return two copies of the computer listings. (Changes will be made by drawing a single line through any amount to be changed and entering the revised amount above it.) Agencies should follow the guidelines shown in Attachment A in entering and processing revised data for the computer file.

b. Estimated spendout during 1986-1989 of unexpended balances of budget authority for controllable programs at the end of 1985. OMB will provide four (4) copies of a computer listing at the account level containing estimates of unexpended balances of budget authority for controllable programs, as reflected in the 1985 January Budget, to agencies with balances shown at the end of 1985 in excess of \$100 million. These agencies will revise the amounts for 1985, as appropriate; estimate the spendout of these balances in future years, in accordance with the instructions in Attachment B; and submit two copies of this information in the format of Exhibit 1.

c. Analysis of change. Agencies will submit two (2) copies of tables in the form of Exhibit 2 to explain major changes (\$50 million or more) in program estimates for budget authority, outlays, and offsetting receipts. Minor changes may be combined in an "Other changes" category. In general, the changes will be addressed at the account level. However, when account detail complicates the explanation unnecessarily, changes may be explained as they relate to a major program area (e.g., Unemployment compensation, Civil service retirement, Railroad retirement, Social Security, and Medicare). A memorandum entry will be included for comparable data for the period 1984-1989 for reestimates of governmental receipts. Agencies also will submit two (2) copies of tables in the form of Exhibits 3 and 4 for changes in direct loan obligations or guaranteed loan commitments, respectively. For purposes of reporting, a major change is defined as being one in excess of \$50 million in any one year. These tables will provide a bridge from the April update estimates to the current estimates for 1984-1989, except that current services estimates will be reflected as a bridge between the February budget and the current estimates.

Tables submitted may be released to Congressional staff to provide supporting explanations for changes identified in the Mid-Session Review.

d. Revised outlay plans. Under OMB Circular No. A-112, agencies are required to submit to OMB, by July 1, revised forecasts of 1984 spending (reflecting actuals for October through May and projections for June through September) and estimates of first quarter 1985 spending. The revised outlay plans should be consistent with the Mid-Session Review estimates and are to be submitted as soon as an agency's 1984 and 1985 outlay estimates for the Mid-Session Review have become final, whether that occurs shortly before or shortly after July 1. Timely development of these plans is essential for both OMB's and Treasury's outlay monitoring functions.

4. Basis for the revised Presidential policy estimates. Amounts for 1984-1989 will be revised to reflect changes due to revised economic assumptions, technical reestimates, publicly announced Presidential decisions, completed Congressional action, and Congressional inaction. General guidance on the development of the multi-year planning estimates is provided in section 26.2 of OMB Circular No. A-11.

a. Changes due to revised economic assumptions. OMB will provide, as soon as possible, the revised economic assumptions for the Mid-Session Review. The planned release date is Monday, June 25. Estimates for programs sensitive to these assumptions should be revised accordingly.

b. Technical reestimates. Agencies should adjust the estimates to reflect changes in spending trends, demographic data, or other technical factors that may generate reestimates. Particular emphasis should be placed on a thorough review of 1984 outlay estimates. Actual experience to date strongly suggests that, in the aggregate, the 1984 outlay estimates published in the April update are too high by a significant amount. An intensive review of these outlay estimates must be made to reduce all 1984 outlay estimates that show any sign of being excessive. The effect of reestimates of 1984 outlays on the 1985-1989 estimates should also be taken into account.

c. Publicly announced Presidential decisions or initiatives. Presidential policy estimates should be revised to reflect changes since the April update due to:

- budget amendments and supplementals transmitted to the Congress or approved and pending in OMB (the final compilation of estimates will be adjusted by OMB to include only those items that have been approved by the President);

- deferral or rescission proposals transmitted to the Congress;
- releases by the Executive Branch of amounts shown as reserved under the Impoundment Control Act in the April update; and
- legislative proposals transmitted, approved, or publicly supported by the President.

d. Congressional action or inaction. Presidential policy estimates should be revised to reflect the effects of legislation enacted prior to the July 4 Congressional recess. This includes:

- enacted substantive legislation (i.e., entitlement and other legislation that has a direct impact on the planning base);
- enacted appropriations (including rescissions);
- enacted legislation that changes deferrals proposed by the President; and
- delays in action on Administration-sponsored legislation (where earlier Congressional action had been assumed in the April update estimates). In preparing revised estimates for legislative proposals not yet enacted by the Congress, agencies should assume an effective date of October 1, 1984, where an earlier date had been assumed previously, unless there is a high probability of earlier enactment.

Only those changes that follow directly from Congressional action or inaction should be included. Enactment of discretionary authorizations without subsequent completed appropriations action should not be reflected in the revised planning base. Questions concerning the status of Congressional action and/or proper incorporation of completed Congressional action in the revised estimates should be addressed to the OMB representative responsible for reviewing the agency's estimates.

5. Basis for the revised current services estimates. Current services estimates of budget authority, outlays, and receipts for 1984-89 will be revised to reflect:

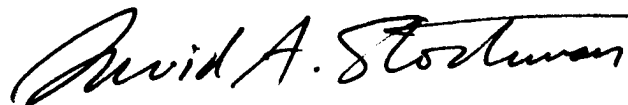
- substantive legislation enacted since the transmittal of the budget and before the July 4 Congressional recess. Enacted fiscal year 1985 appropriations should not be reflected in the current services estimates at this time;

- significant technical reestimates; and
- reestimates due to revised economic assumptions. These reestimates should be made only for entitlement and other programs directly affected by economic variables. Adjustments should not be made to discretionary programs for revised inflation assumptions.

Basic guidance on the development of current services estimates is provided in section 27 of OMB Circular No. A-11.

6. Timing. Agencies will submit each of the required data and supporting materials to OMB no later than June 29, 1984 for those agencies not affected by economic assumptions, and July 5, 1984 for those programs affected by economic assumptions.

7. Inquiries. Inquiries should be directed to the OMB representative responsible for reviewing the agency's budget estimates.



David A. Stockman
Director

Attachments

Attachment A
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GUIDELINES FOR ENTERING/PROCESSING
CHANGES TO THE COMPUTER
DATA BASE

Agencies will follow these guidelines for entering/processing revised data for computer files.

1. Amounts are to be reported in thousands of dollars.
2. Changes to the proposed legislation (PL) column for receipt data and to the 11-digit identification code for supplementary source data should be made as follows (see OMB Circular No. A-11, sections 21.3 and 28.2):
 - All enacted supplementals should be merged with the parent account. The supplemental account should then be deleted.
 - The effect of completed Congressional action on rescission proposals (transmittal code 5), should be reflected in the parent account and the rescission account should be deleted. Pending rescission proposals should continue to be treated as separate accounts.
 - Amendments transmitted since the April update will be reflected in the data files by adjusting the 1985 budget authority request or receipt estimate appropriately and adjusting the outlays in the years affected, to reflect the effect of the amendment.
 - Enacted legislation will be reflected by adjusting 1984 and/or 1985 budget authority and outlay requests to reflect the effect of the enacted legislation.
 - To permit accurate reporting and summarizing of legislative proposals, the transmittal status for amounts in the budget that were proposed for later transmittal under proposed legislation (transmittal code 2 on the supplementary source data file and code "L" (legislation) under the "PL" (proposed legislation) column of the receipt data file) should be reviewed. If the authorizing legislation has been transmitted (but not the appropriation request), the transmittal code 2 should be

retained. If the authorizing legislation has been enacted but the appropriation request has not been transmitted to the Congress, the affected account should be changed to a code 3 (proposed for later transmittal under existing legislation). If the authorization has been enacted and the appropriation request transmitted to the Congress, the transmittal code should be changed to "Supplemental under existing legislation" (transmittal code 1) in the supplementary source data file. For the receipt data file, if the authorizing legislation has been enacted, the "L" code should be deleted and the amounts adjusted, if necessary, to reflect Congressional action.

3. Pay supplementals and their associated amounts, if enacted, should be merged into the "Appropriation" and "Outlays" entries (lines 40.00 or 43.00 and 90.00 of the A section of the supplementary source data.

4. Section B of the supplementary source data should be revised when necessary to agree with section A.

5. For appropriation or fund accounts not currently reflected in the data files, and for supplementals and pending rescission proposals transmitted since the April update of the 1985 Budget, and still pending before the Congress prior to the update of the 1985 Budget, agencies will contact their OMB representatives to establish these accounts on the data files. For new receipt accounts, the new accounts and related data should be entered directly onto the computer listings.

Attachment B
Bulletin No. 84-15

INSTRUCTIONS FOR REPORTING
ESTIMATED SPENDOUT OF BALANCES OF CONTROLLABLE PROGRAMS

1. Purpose. This attachment provides instructions for preparing the report on estimated spendout of 1985 balances of controllable programs.

2. Coverage. An analysis sheet in the format of Exhibit 1 will be prepared by agencies that will have unexpended balances (the sum of obligated and unobligated balances) at the end of 1985 in excess of \$100 million. A one line agency total for such balances will be entered on the analysis sheet, with additional detail required for:

a. bureaus with account balances at the end of 1985 of more than \$1 billion;

b. appropriation accounts with 1985 year-end balances of more than \$100 million; and

c. accounts with balances of stand-by and back-up authority; i.e., authority that would not be used except to meet conditions or circumstances that may not occur (e.g., for bank deposit insurance to protect depositors in the event of a bank failure).

When the detail required by 2a-c does not add to the agency total, an "all other" line will be provided for the remainder.

3. Basis for the estimates. The report will relate to "controllable" programs only (i.e., those shown in the "Balances and Outlays from Balances" computer listing provided by OMB). Programs classified as uncontrollable are specifically excluded from this report and will not be included in the computer listing to be provided by OMB.

For the purpose of this report, the term "spendout" means gross disbursements. It is not synonymous with the term "outlays," which means checks issued, interest accrued on the public debt, or other payments net of receipts and reimbursements. It is essential that the spendout report disregard receipts and reimbursements and record gross disbursements against unexpended balances. This distinction is particularly important for revolving funds or accounts where reimbursements represent a major aspect of the financial program.

In estimating the amount of spendout of 1985 balances in each of the fiscal years 1986-1989, the following assumptions should be used:

a. Obligated balances carried forward at the end of 1985 generally will be spent out in 1986. Important exceptions are accounts having a long time lag between obligation and disbursement; e.g., construction and major procurement programs.

b. Unobligated balances will be obligated before new authority, and generally will be spent out within a year after the obligation is incurred, except as noted in paragraph 3a above. Estimates of the spendout of these balances can usually be based on assumptions concerning obligation levels in 1986 and each year thereafter.

4. Required information. Affected agencies will furnish information based on data in the 1985 Budget on estimates of unexpended balances (lines 24 and 74 on the program and financing schedule) and spendout of balances (lines 3130, 3140, 3230, and 3240 on the Supplementary Source Data, section B) for 1983, 1984, and 1985. (See sections 25 and 32 of OMB Circular No. A-11.) Specific instructions for completing the report in the format of Exhibit 1 are set forth below:

Description (col. 1).--This column should include the account title, as well as other applicable entries required by paragraph 2, above. Additional entries may be used for clarity.

February Budget estimates (col. 2).--This column should contain the applicable amount provided in the data base.

Current estimate (col. 3).--The latest estimate of 1985 balances is equal to the February budget estimate modified to reflect subsequent changes due to Congressional action (or inaction), reestimates, and Presidential initiatives.

These amounts must be consistent with the effects of any 1984 or 1985 changes reported elsewhere for the Mid-Session Review. Assuming no changes in estimates of expiring authority and disregarding receipts and reimbursements, changes in estimates of budget authority and outlays will have a direct effect on the estimate of the unexpended balance (i.e., an increase in budget authority without a corresponding increase in outlays will result in an equal increase in unexpended balances, while an increase in outlays without a corresponding increase in budget authority will result in an equal decrease in unexpended balances). The amount in this column must equal the sum of the amounts in columns 4-9.

Spendout from 1985 balances in 1986-9 (cols. 4-7).--Enter the amount of spendout of 1985 year-end balances, estimated for each of the fiscal years 1986-1989.

1985 balances as of September 30, 1989 (col. 8).--The amount of 1985 balances remaining unexpended at the end of 1989 will include the balances of stand-by and back-up authority that will not be used in the foreseeable future. All amounts of stand-by and back-up authority must be footnoted as such. Expiring balances will be excluded. Footnotes will be included to explain any balances in excess of \$50 million.

1985 balances expiring in the 1986-1989 period (col. 9).--Enter any amounts of 1985 unobligated balances that are expected to lapse in any of the fiscal years 1986-1989. Footnotes will be included to explain any such balances over \$50 million.

Exhibit 1
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DEPARTMENT OF GOVERNMENT
ESTIMATED SPENDOUT OF BALANCES OF CONTROLLABLE PROGRAMS
FROM 1985 END-OF-YEAR UNEXPENDED BALANCES OF BUDGET AUTHORITY
(in millions of dollars)

Description	1985 ending	balances	Spendout from 1985				1985	1985 unobligated
	February	Current	balances in:				balances as of	
	budget	estimate	1986	1987	1988	1989	9/30/89	balances lapsing
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	in the 1986-89
								period
Construction, general.....	700	1,200	821	156	93	40	90 <u>1/</u>	—
Revolving fund....	151	151	151	—	—	—	—	—
Emergency fund....	47	47	—	—	—	—	47 <u>2/</u>	—
All other.....	<u>23</u>	<u>23</u>	<u>23</u>	—	—	—	—	—
Total.....	921	1,421	995	156	93	40	137	—

1/ Balance remaining to be spent on fully funded FY 85 new construction starts.

2/ Stand-by authority.

On-and-Off-Budget Changes
to the 1985 Budget
(in millions of dollars)

Department: _____
Contact: _____
Program or Account (title and ID code(s)): _____
Date: _____

	1984	1985	1986	1987	1988	1989
	BA	O	BA	O	BA	O

Presidential policy

April update estimate.....

Change due to:

Presidential
initiatives.....

Congressional action or
inaction.....

Technical reestimates..

Revised economic
assumptions.....

[NOTE: If the change is for two or more reasons, show the
data separately by reason.

In general, only changes in excess of \$50 million
should be reported, unless a lesser level is deemed
more appropriate. Major changes in offsetting receipts
should also be reported here.]

Mid-Session Presidential
Policy Estimate.....

Explanation of change

Current Services Estimates

February estimate.....

Change due to:

Congressional action...

Technical reestimates..

Revised economic
assumptions.....

Mid-Session Current
Services Estimates.....

Explanation of change

MEMORANDUM: [Include major changes to governmental receipts.]

Analysis of Change
to Federal Direct Loan Activity
(in millions of dollars)

Contact: _____
Date: _____

Department: _____
Account Title and ID code: _____

Limitation on direct loan obligations (line 1110):

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
April update estimate.....						
Change due to:						
Presidential initiatives.....						
Congressional action or inaction.....						
Technical reestimates... Revised economic assumptions.....						
Current estimate.....						

[NOTE: If the change is for two or more reasons, show the data separately by category.]

In general, only changes in excess of \$50 million should be reported, unless a lesser level is deemed more appropriate.]

Explanation of change

New direct loan obligations (lines 1151 and 1152):

April update estimate.....						
Change due to:						
Presidential initiatives.....						
Congressional action or inaction.....						
Technical reestimates... Revised economic assumptions.....						
Current estimate.....						

[NOTE: If the change is for two or more reasons, show the data separately by category.]

In general, only changes in excess of \$50 million should be reported, unless a lesser level is deemed more appropriate.]

Explanation of change

Addendum: Changes in FFB activity:

 Loan asset sales (line 1330)
 Repayments (line 1350)

Analysis of Change
to Federal Guaranteed Loan Activity
(in millions of dollars)

Contact: _____
Date: _____

Department: _____
Account title and ID code: _____

Limitation on guaranteed loan commitments (lines 2111 and 2112):	1984	1985	1986	1987	1988	1989
April update estimate.....						
Change due to:						
Presidential initiatives.....						
Congressional action or inaction.....						
Technical reestimates...						
Revised economic assumptions.....						
Current estimate.....						

[NOTE: If the change is for two or more reasons, show the data separately by category.]

In general, only changes in excess of \$50 million should be reported, unless a lesser level is deemed more appropriate.]

Explanation of change
New guaranteed loan commitments (lines 2151, 2152, and 2153):

April update estimate.....	
Change due to:	
Presidential initiatives.....	
Congressional action or inaction.....	
Technical reestimates...	
Revised economic assumptions.....	
Current estimate.....	

[NOTE: If the change is for two or more reasons, show the data separately by category.]

In general, only changes in excess of \$50 million should be reported, unless a lesser level is deemed more appropriate.]

Explanation of change

Addendum: Changes in FFB activity:
Loan guarantee originations (line 1430)
Repayments (line 1450)